

## Message Text

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PAGE 01 STATE 174449  
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

DRAFTED BY IO/IBC/BA:FPMCCORMICK:MJS  
APPROVED BY IO:CWMAYNES  
IO:RLBARRY  
IO/IBC:RVHENNES  
L/UNA:AKRECZKO  
S/S: RCASTRODALE

-----091645 111920Z /45

O 111847Z JUL 78  
FM SECSTATE WASHDC  
TO USMISSION USUN NEW YORK IMMEDIATE

C O N F I D E N T I A L STATE 174449

EXDIS

E.O. 11652: GDS

TAGS: UN, AORG

SUBJECT: UN ADMINISTRATION: TAXATION OF LUMP-SUM SETTLEMENTS

REFS: (A) USUN 2827; (B) STATE 150248

1. WITH DELETION OF WORD QUOTE ONE-THIRD UNQUOTE DEPARTMENT  
CONCURS WITH NOTE TO SYG WALDHEIM PROPOSED IN PARA TWO OF  
REFTEL A. NOTE WOULD NOW READ AS FOLLOWS: BEGIN QUOTE  
THE UNITED STATES MISSION TO THE UNITED NATIONS WISHES TO  
CONFIRM TO THE SECRETARY-GENERAL OF THE UNITED NATIONS THAT  
THE UNITED STATES GOVERNMENT SHARES THE VIEW OF THE LEGAL  
COUNSEL OF THE UNITED NATIONS THAT THERE IS NO LEGAL BASIS  
FOR REIMBURSING NATIONAL TAXES ON LUMP SUM PENSION PAYMENTS  
FROM THE TAX EQUALIZATION FUND AND THAT, AS A CONSEQUENCE,  
THE PRACTICE OF REIMBURSEMENT OF SUCH TAXES SHOULD STOP  
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IMMEDIATELY AS OF THIS DATE. END QUOTE.

2. STATEMENT OF U.S. LEGAL POSITION (REFTEL B) WAS LIMITED  
TO ONE-THIRD LUMP SUM PENSION PAYMENTS BECAUSE U.S. WAS  
RESPONDING TO UN INQUIRY WHICH WE INTERPRETED AS  
LIMITED TO THAT PRACTICE.

3. WE ARE PROPOSING ELIMINATION OF QUALIFICATION QUOTE ONE-THIRD UNQUOTE TO ALLOW FOR THE BROADENING OF OUR POSITION ON TAX REIMBURSEMENT ISSUE TO INCLUDE FULL LUMP SUM WITHDRAWALS. BECAUSE IT IS UNLIKELY THAT SECRETARY-GENERAL CAN BE BROUGHT TO FOCUS ON TAX REIMBURSEMENT QUESTION A SECOND TIME, WE DO NOT WISH TO LIMIT U.S. POSITION UNNECESSARILY. FOLLOWING RESOLUTION OF THE ONE-THIRD LUMP SUM PAYMENT QUESTION, WE ARE PREPARING TO CHALLENGE THE UN'S MORE ENTRENCHED PRACTICE OF REIMBURSING NATIONAL TAXES IMPOSED ON LUMP SUM WITHDRAWALS BY INDIVIDUALS WHO HAVE NOT PROCEEDED TO FULL-TERM RETIREMENT. FYI: WE UNDERSTAND THAT CERTAIN UN SPECIALIZED AGENCIES CONSIDER THE UN'S PRACTICE OF REIMBURSING NATIONAL TAXES ON LUMP SUM WITHDRAWALS AS ILLEGAL AND HAVE CONTESTED THE UN PRACTICE AND HAVE NOT FOLLOWED IT. END FYI. CHRISTOPHER

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**TAGS:** AORG, UN  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014